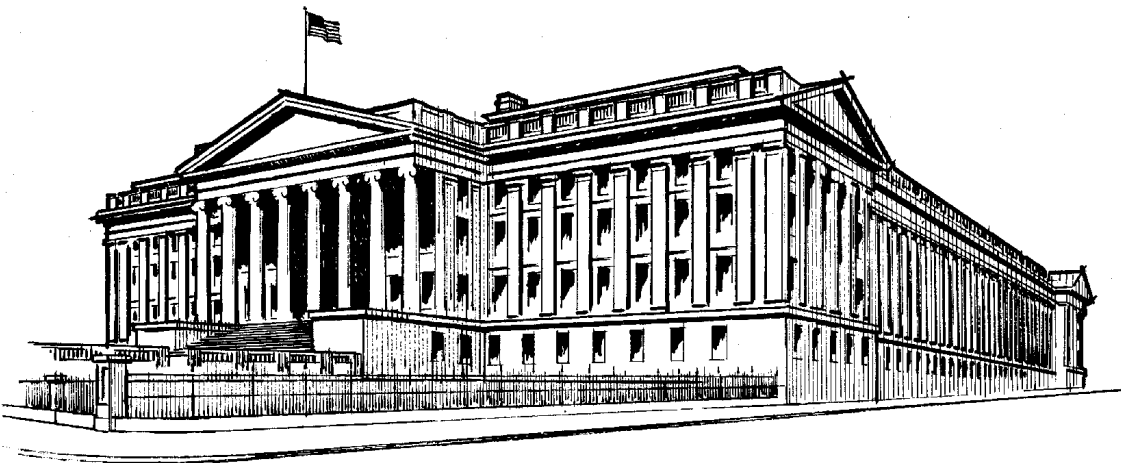


DEPARTMENT OF THE TREASURY

Treasury Forfeiture Fund

Strategic Plan

FY 2000-2005



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Message from the Director

The Executive Office for Asset Forfeiture (EOAF) has long recognized the benefit of having a clearly articulated sense of direction that has been well communicated to all Fund participants. Our Strategic Plan, groomed by policy direction from the Under Secretary of Enforcement and by attention to evolving Federal law enforcement priorities and strategies, provides us with the requisite road map toward achievement of our ultimate goal which is the disruption of criminal organizations through application of the forfeiture sanction. As Director of EOAF, I believe that the most effective methodology for proceeding in a strategic direction is uniting the efforts of all program participants into a partnership approach to maximize program impact. The Strategic Plan suggests the direction in which to move; performance measures indicate the efficiency of our efforts; and the partnership alliance provides the best means of fulfilling organizational mission and having impact.

While the Treasury Forfeiture Fund has grown and evolved dramatically since its first full year of operation in FY 1993, passage of the Civil Asset Forfeiture Reform Act (CAFRA) on April 25, 2000, serves as a landmark event in the maturation of this program. Even when coupled with the complexities inherent in the process of invoking the seizure penalty, and managing a nationwide program of seized and forfeited property, passage of CAFRA presents new standards to law enforcement components seeking to use forfeiture to disrupt criminal enterprises.

The essence of the Treasury Forfeiture Program involves applying forfeiture to the infrastructure of criminal enterprises, identifying and disrupting organizers and facilitators, versus an emphasis on criminals at the “bottom of the food chain.” As we state in our Strategic Plan, the only real damage that can be done to drug cartels and criminal syndicates is the removal of facilitating assets and the profit incentive on a significant scale. It would be imprudent to expect to have the law enforcement resources on any level, Federal, state or local, to afford to tackle the problem of illegal drugs one user at a time and expect to finally resolve the problem. I believe that the Treasury forfeiture program can continue to grow and to faithfully carry out its Congressional mandate to punish and deter criminal activity through enhanced strategic use of asset forfeiture, and a return to an emphasis on high-impact cases that work to destroy the root of insidious criminal behavior on an effective scale.

We have streamlined our Strategic Plan with this basic principle in mind and hope through sheer simplicity to consistently remind our stakeholders of our mission and approach. The Treasury Forfeiture Fund is a critical law enforcement program, and I envision that in partnership with its member bureaus, as well as Departmental leadership, we can further our mission of dismantling criminal enterprises, while earnestly protecting the due process rights of affected persons. This program is, has and will continue to be one that deserves full public trust and confidence. Every one of us involved in this program has the quiet obligation of doing whatever he or she can to preserve and continue this honor and responsibility.

*Raymond M. Dineen, Director
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**TREASURY FORFEITURE FUND
STRATEGIC PLAN
FY 2000-2005**

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***The Treasury Forfeiture Fund
Strategic Plan
FY 2000 – 2005***

Introduction: The Treasury Forfeiture Fund (TFF) is the receipt account for the deposit of non-tax forfeitures made pursuant to laws enforced or administered by Treasury law enforcement agencies and the United States Coast Guard. It was established in October of 1992 as the successor to the Forfeiture Fund of the United States Customs Service. When the enabling legislation for the TFF was enacted, it brought together all of Treasury law enforcement under a single forfeiture program. The member law enforcement bureaus of the Treasury Forfeiture Fund are the U.S. Customs Service, the U.S. Secret Service, the Bureau of Alcohol, Tobacco and Firearms, and the Internal Revenue Service's Criminal Investigative Division (CID). These Treasury bureaus are joined by the U.S. Coast Guard of the Department of Transportation, a member of the Treasury Forfeiture Fund as the result of a long-standing close law enforcement relationship with the U.S. Customs Service.

From drug cartels to criminal syndicates, the only real damage that can be done to these insidious structures by law enforcement is the removal of enabling assets and profits that support or stem from their existence. Human resources have proven interchangeable to such criminal networks, but the loss of the criminal physical structures and the associated profit-incentive serves to dismantle and deter their existence and/or proliferation.

The TFF is a "special receipt account," i.e., a resource account which provides funding to other Federal entities toward accomplishment of a specific objective for which the recipient bureau is authorized to spend money, used to augment their effort in the specific regard. The Executive Office for Asset Forfeiture (EOAF) through the provision of leadership, guidance and stewardship works to maximize forfeiture program impact as executed by Treasury law enforcement bureaus. Please refer to the section, "Key External Factors" below for more specific information about issues that can impact achievement of the TFF strategic goal.

The TFF's enabling legislation was first published in Public Law 102-393, enacted October 6, 1992, 106 Stat, 1729, and is codified under Title 31 U.S.C. § 9703.

The Basic Purpose of the Treasury Forfeiture Fund

Mission: The mission of the Treasury Forfeiture Fund is to affirmatively influence the consistent and strategic use of asset forfeiture by Treasury law enforcement bureaus to disrupt and dismantle criminal enterprises.

Environment of the Treasury Forfeiture Fund – “Opportunities and Threats”

Environmental Scan: An “environmental scan” is intended to provide a description of our operating environment, including potential opportunities and threats faced by our program. The purpose is to give some context to our strategic goal and objectives as they relate to emerging issues and trends in our field of operations. External factors emerging from the environment that may adversely impact efforts to achieve our strategic goal include the passage of the Civil Asset Forfeiture Reform Act (CAFRA) on April 25, 2000.

External factors emerging from the environment that may positively impact efforts to achieve our strategic goal include The National Money Laundering Strategy for 1999, published by the Department of the Treasury. The strategy supports TFF’s reemphasis on program impact and more-complex case strategy to include large money laundering investigations. These issues are discussed below under the section titled “Key External Factors.”

The Major Strategic Outcome Expected for the Treasury Forfeiture Fund

Goal: The goal of the Treasury Forfeiture Fund is to support the Department of the Treasury’s national asset forfeiture program in a manner that results in Federal law enforcement’s continued and effective use of asset forfeiture as a high-impact law enforcement sanction to punish and deter criminal activity. There are four symbiotic precepts of the TFF goal which must be embraced in order to effectively achieve the strategic mission and they are: 1) to affirmatively influence the use of asset forfeiture by Federal law enforcement to punish and deter criminal activity; 2) to manage TFF revenues to cover the costs of seizure and forfeiture; 3) to affirmatively influence Federal law enforcement to enforce the due process rights of affected persons; and 4) to urge and enhance cooperation among foreign, Federal, state and local law enforcement agencies on issues pertaining to asset forfeiture.

***A Measure of the Strategic Outcome
Envisioned for the Treasury Forfeiture Fund***

Objective: The objective of the Treasury Forfeiture Fund is to support the Treasury asset forfeiture program in a manner that causes forfeiture to be used to efficiently and effectively impact criminal behavior.

“Efficiency” in the TFF objective addresses management interests of the Fund; and “effectiveness” addresses law enforcement impact of the Fund.

***The Broad Courses of Action, or Approach
That will be taken to Achieve Goals***

Means: Influence the strategic use of high-impact asset forfeiture by our participating bureaus.

Strategies: Strategies of the Fund address the issues of: 1) high-impact strategic use of forfeiture by Treasury law enforcement; and 2) management of Fund resources in support of the program, both of which are critical to the ongoing mission of the Fund.

Law enforcement use of forfeiture:

- a) Meet with senior Treasury law enforcement bureau management to urge the use of asset forfeiture wherever feasible, especially the pursuit of high-impact cases that can do more harm to criminal infrastructure as they remove ill-gotten gains, facilitating property and the profit incentive of criminal behavior.
- b) Train Treasury law enforcement personnel regarding TFF authority, high-impact strategy and policy, including enforcement of due process.
- c) Through the funding of specific expenses by the TFF, including equitable sharing and overtime for joint operations, encourage for the benefit of our law enforcement bureaus the continued cooperation from Federal, state, local and foreign law enforcement in the identification of criminal organizations and the application of asset forfeiture to disrupt and dismantle such organizations.

Management of the Fund:

- d) Continue TFF policy with a view toward program financial

stability and vitality so that the TFF can continue to support the use of the forfeiture sanction by law enforcement bureaus year after year.

- e) Coordinate TFF policy proposals with Treasury law enforcement bureaus and other stakeholders deemed appropriate to ensure effective and efficient implementation of the policies once approved.
- f) Work to appropriately resolve program risks identified by principal constituencies, such as those identified by GAO in its Performance and Accountability Series.

Processes Required to Meet the Goal and Objective

Processes: Processes address the strategies for law enforcement use of forfeiture and the strategies for managing the Fund.

Law enforcement use of forfeiture:

- a) Annual program reviews with senior bureau management to determine what policies and activities have been undertaken by bureaus to show commitment to the strategic use of asset forfeiture.
- b) Coordinate Treasury's strategy across the two national asset forfeiture programs, working to ensure that both Justice and Treasury components are aware of the benefits of the large case strategy and do not impede each others investigations through premature seizures. The national Forfeiture Working Group meetings held jointly by Treasury and Justice forfeiture officials pose a forum for the sharing of mutual goals, interests and strategies.

Management of the Fund:

- c) Coordinate with the Department, OMB and the Congress regarding the net position of the Fund for the purpose of furthering the mission of the Fund.
- d) Financial reviews with law enforcement bureaus to determine appropriate funding levels for their respective forfeiture programs, and monitoring execution of financial plans for conformance with the plan.
- e) Apply TFF resources to categories of expense that can influence the

continued cooperation of foreign, Federal, state and local law enforcement with Treasury law enforcement bureaus, including equitable sharing and payments for overtime expenses of joint law enforcement activities.

Skills, Technology, Human Capital, Information and Other Resources Needed to Meet the Goal and Objective

Resources: There is a gradient of resources to be applied toward achievement of the Treasury Forfeiture Fund's mission. First, the approximately 20-member staff of the Executive Office for Asset Forfeiture, the policy body in the Office of Enforcement that manages the TFF. TFF management in EOAF will be primarily accountable for executing the strategies and processes identified above. Performance of these individuals is expected to directly support the TFF strategic mission in an active manner.

Second, the TFF reimburses its participating law enforcement bureaus for some 200 to 250 bureau and contract staff who work directly for the forfeiture program of the respective law enforcement bureaus. While EOAF does not have line authority over the performance of these individuals, the source of the reimbursable income for their positions rests upon the business results of program operations. Therefore, TFF management can be said to have influence over the application of these resources to the forfeiture program.

Third, the agents, inspectors and other law enforcement personnel of the Treasury law enforcement bureaus may come into contact with the Treasury forfeiture program daily through the exercise of their law enforcement jurisdiction. EOAF does not have line authority over the performance or direction of these personnel, but as discussed in our strategic proposal, we intend to provide stewardship efforts that persuade a consistent and effective high-impact approach to forfeiture in the course of the bureaus' law enforcement efforts. Therefore, TFF management will attempt to influence the application of these resources to the forfeiture program, which is less direct control than the second gradient and less direct control from the first gradient of resources.

When Will We Get Started?

Starting Point : The Fund continuously pursues the goal of supporting Treasury's national asset forfeiture program.

Outside Factors that Could Keep the Fund From Achieving its Goal

Outside Factors: **Bureau implementation of Strategic Direction.** Treasury bureau implementation of the TFF strategic direction is essential to achievement of TFF's strategic goal. TFF management can work to influence or urge senior management of our participating bureaus to adopt a "high-impact case" approach to investigative strategies, however, it has no line authority with which to effect this philosophy. TFF management can allocate resources in a manner that reflects bureau efforts to support the TFF strategic goal with the greatest impact.

Bureaus' ability to implement the National Money Laundering Strategy.

Achievement of our strategic mission may also be dependent upon the bureaus' ability to implement the National Money Laundering (NML) strategy. Money laundering composes a significant area of litigation in which forfeiture is available as a sanction. The Department's draft Strategic Plan indicates that several of the goals in the NML strategy are dependent on resources that currently exceed those currently available to Treasury law enforcement bureaus.

Civil Asset Forfeiture Reform Act (CAFRA). CAFRA was signed by the President into law on April 25, 2000, and becomes effective August 23, 2000. CAFRA's provisions may result in a significant shift in cases from administrative-processing by law enforcement bureaus to greater judicial-processing through the Federal courts. Insufficient numbers of Federal prosecutors to meet additional caseload and more restrictive timeframes may result in the diminished use of asset forfeiture as a penalty in the fight against crime. The result could diminish achievement of the TFF goal.

Appendix A

**Strategic Management Process for the Treasury Forfeiture Fund Strategic Plan
FY 2000-2005**

Background and development of TFF's strategic approach: Treasury Forfeiture Fund management has a long history of strategic outreach with stakeholders and constituents including the better part of a decade of inter-Departmental coordination with our sister program at the Justice Department in which issues of concern to all of our stakeholders and key constituents are carefully evaluated and resolved. Principals of our Treasury law enforcement bureaus are active, participating members of this high-level national working group. Also, given the high profile interest in forfeiture by the Congress as expressed in new and/or evolving legislation of significance to forfeiture, and High Risk matters of concern to the General Accounting Office (GAO), TFF management has maintained a working rapport with Congressional Committee staffs. We also maintain a close working rapport with GAO regarding the *Management Challenges* (formerly High Risk) issues.

EOAF management consulted with the Office of the Under Secretary for Enforcement on the strategic direction of the program to ensure coordinated and compatible management planning. Through this review, EOAF determined that its strategic direction is consistent with principal law enforcement strategies of the Department.

Strategic grooming for the revised Strategic Plan, FY 2000-2005: The Treasury Forfeiture Fund's Strategic Plan for FY 2000-2005 has been groomed and simplified to emphasize one goal and that is to support the Department of the Treasury's national asset forfeiture program in a manner that results in Federal law enforcement's continued and effective use of asset forfeiture as a high-impact law enforcement sanction to punish and deter criminal activity. Four symbiotic precepts to this goal must be embraced before the TFF's mission can be properly achieved and these precepts are the original Strategic Plan's four goals; (1) to support the costs of forfeiture; (2) to influence the use of forfeiture as a penalty to punish and deter crime; (3) to influence enforcement of due process; and (4) to influence cooperation with state, local and foreign law enforcement counterparts. Failed attention to any one of these four precepts could have dramatically adverse effects on the Treasury forfeiture program. Therefore, these key principals have been reclassified as major precepts to the one single goal.

Implementation of the TFF Strategic Plan: Implementation of our Strategic Plan is based on the effective use of the means, strategies and processes described in support of the strategic objective. Implementation should also be enhanced through communication of our Performance Plan to our participating law enforcement bureaus.

Appendix B**Linkages between the U.S. Treasury - wide Strategic Plan
and the Treasury Forfeiture Fund Strategic Plan for FY 2000-2005**

Treasury-wide Strategic Goal	Treasury Forfeiture Fund Strategic Goal
Combat money laundering and other financial crimes.	To support the Department of the Treasury's national asset forfeiture program in a manner that results in Federal law enforcement's continued and effective use of asset forfeiture as a high-impact law enforcement sanction to punish and deter criminal activity.
Protect our Nation's borders and major international transportation terminals from traffickers and smugglers of illicit drugs.	To support the Department of the Treasury's national asset forfeiture program in a manner that results in Federal law enforcement's continued and effective use of asset forfeiture as a high-impact law enforcement sanction to punish and deter criminal activity.
Reduce the threat of terrorism and other violent crimes.	To support the Department of the Treasury's national asset forfeiture program in a manner that results in Federal law enforcement's continued and effective use of asset forfeiture as a high-impact law enforcement sanction to punish and deter criminal activity.

Appendix C

**Linkage Between the TFF Strategic Goal
and the TFF Performance Goals**

Strategic Goal	Related Performance Goals
The goal of the Treasury Forfeiture Fund is to support the Department of the Treasury's national asset forfeiture program in a manner that results in Federal law enforcement's continued and effective use of asset forfeiture as a high-impact law enforcement sanction to punish and deter criminal activity.	Strategic use of asset forfeiture by Treasury law enforcement in a manner that results in a high-impact forfeiture program.

Discussion:

We have identified a high-impact approach as that most appropriate to the forfeiture sanction. In this manner, Fund management expects to “to support the Department of the Treasury’s national asset forfeiture program in a manner that results in Federal law enforcement’s continued and effective use of asset forfeiture as a high-impact law enforcement sanction to punish and deter criminal activity.”

In building the interconnectivity between the seized and forfeited property inventory systems of the program, Treasury Forfeiture Fund Management will build in functionality to enable us to more specifically assess the program’s impact on criminal enterprises, and to monitor high-impact cases.

Appendix D

Coordination on Crosscutting Issues

Please refer to the first paragraph of Appendix A for a discussion of crosscutting issues affecting the Treasury Forfeiture Fund.

Appendix E**Program Evaluations**

A program evaluation is defined in strategic planning guidance as “an assessment, through objective measurement and systematic analysis of the manner and extent to which Federal programs achieve intended objectives.” Guidance recommends a description of how the results of program evaluations were considered in the development of the plan, and will be used in the future to keep it current.

Treasury Forfeiture Fund Program Evaluation

The Treasury Forfeiture Fund is managed by the Executive Office for Asset Forfeiture (EOAF), a policy office, in the Office of Enforcement, Main Treasury. EOAF is composed of approximately 20 staff members responsible for monitoring the need for and establishing policy for the Treasury forfeiture program, and for resolving policy problems or issues that arise in the conduct of forfeiture by our law enforcement bureaus.

Treasury Forfeiture Fund financial planning is a process of assessing and prioritizing competing requests and most of our evaluations fall into this area.

Appendix F**Data Capacity**

The TFF's proposed performance measures have been evaluated with regard to whether current systems could capture the data needed to support the measures. TFF systems can capture data necessary to populate the performance measures.

Appendix G

Management Challenges and High Risk Areas*Accountability Report – FY 1999
Material Weaknesses and Reportable Conditions*

In the most recent annual audit of the Treasury Forfeiture Fund, three material weaknesses were identified. Despite these material weaknesses, the TFF received a clean, unqualified audit opinion for FY 1999, as it has for each of the past few years. The three material weaknesses are: 1) the TFF does not utilize accrual accounting during the year which requires significant closing adjustments at the end of year in order to fully accrue expenses for financial reporting; 2) the standard general ledger of the TFF does not automatically capture all transactions of the account and it must be adjusted manually in order for financial statements to be complete; and 3) the seized property inventory systems of the Customs Service do not properly account for seized and forfeited property. The first two weaknesses are internal control weaknesses, and the third weakness is the financial system weakness.

Resolution of these issues is an important management concern, and TFF management has identified resolution of such issues as a management strategy of the Fund. In addition, Fund management publishes detailed corrective actions plans for these issues in its annual Federal Manager's Financial Integrity Act (FMFIA) and Federal Financial Management Improvement Act (FFMIA) Assurance and Compliance Statement to the Congress.

GAO's "Major Management Challenges and Program Risks"

In late summer 1999, Senator Fred Thompson, Chairman of the Senate Governmental Affairs Committee, sent a letter to Treasury Secretary Summers to summarize his Committee's concerns regarding certain issues that appeared to be unresolved. These issues were recounted by GAO in the January 1999 *Performance and Accountability Series*, formerly the *High Risk Series*.

Specifically, GAO Report GGD 91-97, dated June 28, 1991, recommended: "The Departments of Justice and Treasury should consolidate the management and disposition of all non-cash seized properties in order to reduce program administration costs."

This is a long-standing issue that was met with technical disagreement on the part of both the Treasury and Justice Departments, and certainly the significant passage of time has made the analytical basis upon which GAO made the original recommendation obsolete. The Treasury Department's forfeiture program works diligently to identify efficiencies in its operations wherever possible, but does so in a manner that does not cloud or cause loss of control in the program. Each of the Federal Departments undertaking forfeiture, Treasury and Justice, has separate accountability for the seized and forfeited assets of its respective program and must ensure that decisions regarding such assets are active not

passive. In addition, the continuity and vitality of our respective forfeiture programs are reliant upon everyday business decisions involving those assets, because revenue to run the program is dependent upon the cumulative results of those decisions. Abdicating these decisions to an outside entity with no vested interest in the business outcome would appear to leave open the possibility of a program result that is antithetical to the original GAO intent of greater efficiency.

Moreover, the underlying concept of “aggregated economies of scale” could be applied throughout the Federal Government, with, for example, a centralized hiring office or a centralized procurement office for all of Government. Nevertheless, the respective Federal Departments, most with a Cabinet Level Executive are permitted to operate their own command structure, the benefits of which assumed from the theory that those that best know the business should run the business despite the appearance of similar expenses. The respective programs have separate Executives, separate authorizing committees, separate appropriations committees, resulting in the need for discrete accountability over business results.

Current Status

In an effort to close this issue, the Treasury and Justice Departments have agreed to jointly contract for a review of the matter. The contract should be completed in FY 2001.

Appendix H**Consultations and Stakeholders**

As reported in Appendix A that describes the strategic management process and cross-cutting coordination, the type of consultation/ coordination anticipated by the Government Performance and Results Act in publishing strategic plans is embraced continuously by normal business methods of TFF management. Our strategic plan was written within an environment of exposure to stakeholders and constituents.

Our stakeholders are the Treasury law enforcement bureaus. Our constituents include: all other Federal law enforcement bureaus, state and local law enforcement agencies, the Justice forfeiture program, the judiciary, the U.S. Attorneys, and foreign law enforcement participating in multi-lateral treaties pertaining to U.S. forfeiture laws.

We serve the Under Secretary for Enforcement by being his policy arm in this law enforcement area.

Appendix I**Glossary**

Asset Forfeiture: Forfeiture is a legal mechanism by which property derived from or used in the furtherance of criminal activity can be seized and forfeited to the government, with the owner losing all rights to the property without compensation.

In rem forfeiture: *In rem* forfeitures are civil forfeiture proceedings against property. Most civil forfeitures involve *in rem* proceedings against property, and the outcome of a civil proceeding is not dependent upon a criminal conviction of an owner or user of the property; the property itself is subject to a possible finding of “guilt.” Criminal forfeiture proceedings, unlike civil proceedings, are *in personam* actions against individuals, and the outcome of such actions therefore depends entirely upon a property owner or user’s being found guilty of, or pleading guilty to, the substantive criminal activity that has created forfeiture liability.